

The bill also begins the payment system reform of bundling Medicare provider payments as a lump sum fee—instead of paying a fee for each service—encourages care coordination and streamlining. It removes the incentive to generate additional services for added reimbursement.

FISCAL RESPONSIBILITY

The legislation is fully paid for and reduces the deficit in the next ten years and beyond.

The revenue provisions in the bill focus on paying for reform within the health care system.

THE COST OF INACTION

In 2000, family health insurance purchased through an employer cost \$6,438 and consumed 13 percent of median family income. In 2008, the same family health insurance cost \$12,680, a 97 percent increase over the 2000 cost, consuming approximately 21 percent of median family income. In 2016, the same insurance is projected to cost \$24,291, nearly double the 2008 cost, which will consume 45 percent of projected median family income.

Let's kind of go back to (inaudible). Can you—each one of you, starting with Mr. Perkins, talk about kind of what's the—the impact of criminal prosecutions and prison time versus civil actions and fines.

KEVIN PERKINS, Assistant Director, FBI: Yes, Senator. The—it's really a combination of both. We, obviously, are very successful in the health care fraud side, where we have civil remedies that we utilize each day in our investigations there. But again, I'm a—I'm a very strong proponent of criminal prosecutions that involve serious jail sentences for white-collar criminals. That is a huge deterrent.

I've seen it over the years, and I—I know—I know that, from my own personal experience, going and interviewing individuals who are—who—white-collar criminals who have been—or are doing jail time, going and talking to them on various occasions—it's—it's a huge deterrent. It's—it's something that we have to have, going forward, to make this work.

KAUFMAN: Mr. Khuzami.

ROBERT KHUZAMI, Director, Securities and Exchange Commissions Division of Enforcement: (Inaudible), yes, but there's—there's no deterrent that's a substitute for jail time. I miss the cooperation tools, and I—I miss the sentencing guidelines even more. But there is a very significant role for the civil regulators as well, simply because: Because of the standard of proof of beyond a reasonable doubt and the necessity of convincing 12 jurors of the—of the guilt of someone, the criminal authorities, by definition, cannot and should not capture the whole field of wrongdoing.

And so what you'll often see is criminal authorities focused on the core wrongdoers, and we may cast a wider net—because we have a lower standard of proof—cast a wider net amongst those involved in the wrongdoing as well. And in particular, there's lots of wrongdoing that goes on that doesn't rise to the level of criminal intent, all sorts of activity across regulated broker-dealers and investment advisors and others where, if you can at least make it unprofitable—so that they have to give back the money they wrongfully got, pay a penalty, perhaps suffer time out or lose their license—that, too, has a significant impact.

KAUFMAN: Mr. Breuer.

LANNY BREUER, Assistant Attorney General: Senator, obviously, as Rob (ph) says: A comprehensive approach is essential. Civil remedies are essential. But I've had many years in the private practice, and I've had many years when I represented individuals,

and I can tell you, Senator: In a white-collar case—I've been in the conference room with my clients—there is nothing—there is nothing like an individual—who feels as if he or she has been sort of the center of their community, is well-respected and has had a comfortable life—realizing that they're facing jail time. The terror in their eyes is like nothing else, and there's simply no deterrent like it.

KAUFMAN: You know, I think I know the answer to this, but I think it'd be good to be on the record, and starting with you, Mr. Breuer. Why don't—why haven't we seen more, you know, board room prosecutions?

Mr. SPECTER. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 7 minutes remaining.

Mr. SPECTER. I thank the Chair.

Mr. President, there is another very important aspect, in my opinion, of the Senate enacting legislation on this bill; that is, we were sent to Washington to govern. What we have seen in the recent past has been staggering partisan politics. Partisan politics became a blood sport in Washington, DC. It is a blood sport on the floor of the Senate. It pervades the entire town.

The point from the Republican side of the aisle has been very clear; that is, to make this President Obama's Waterloo, to make this “break President Obama.”

I saw the ramifications when we took up the stimulus package earlier this year. There were only three Republicans—Senator SNOWE, Senator COLLINS, and myself—who would even talk to the Democrats. There was a determination to look ahead to the 2012 elections on the Presidency even before the ink was dry on the oath of office taken by President Obama on January 20. This was the second week of February, the week of February 6, as I recall, just a couple weeks, and already the plans were for the next election.

As I reviewed the matter, it seemed to me we were on the brink of going into a 1929 Depression. The 1929 Depression was very hard on the Specter family, living in Wichita, KS, at the time. Both of my parents were immigrants. In the mid-1930s, the family moved from Wichita to Philadelphia to live with my father's sister. That is what happened in the Depression—you moved in with relatives because there were no jobs.

I sided with supporting the stimulus package and played a key role in having that enacted. And the political consequences on a personal level are not something to be discussed on this floor at this time, but the conduct of partisanship on the stimulus package is directly relevant to what we are doing here today, and that is that we are being stonewalled.

I think it is harder for a Republican to stand up on health care reform and join the Democrats today than it was in January and in February when three of us did so. And if I were on the other side of the aisle today, I would be supporting health care reform. I would be supporting, and perhaps, if I were on

the other side of the aisle today, I could bring somebody with me. I don't know. That is entirely speculative.

Without revealing any more of the confidence which went on inside of the Republican caucus, when I talk about a Republican Senator's statement that this should be the Waterloo of President Obama and this should break him, those are matters in the public record. But the pressure over there in the Republican caucus is absolutely intense, and we were sent here to govern.

In the Democratic caucus—and the Presiding Officer, the distinguished Senator from Colorado, was there on Monday evening—when my turn came to speak, I said: I have two sentences. And may the record show a smile on the face of the Presiding Officer. I said: I have two sentences. One sentence is, the bill is a great deal better than the current system, and the second sentence is, we should not let obstructionism prevent us from governing. And that is why I crossed the aisle to make the 60th vote. I was very surprised to see in the public record—been in the newspapers—that everybody stood up and applauded, and I read in one of the Hill newspapers today that you could hear the applause down the corridor. So they knew what was going on. Well, that is the role, it seems to me, of a Senator. We are facing a situation where, if defeated, it will have a significant impact on the tenure of President Obama.

We had a meeting on Tuesday—2 days ago—in the Executive Office Building, and it was a rather remarkable setting. There was a large rectangular table, and in the center on each side—one side was President Obama, the other side was Vice President BIDEN, and almost all of the 60 Senators were present. I think Senator BYRD couldn't be there because of his ailment, but I believe everybody else was present. During the course of that session, the President expressed himself—and this has also been publicized—that if action was not taken now, it would discourage anyone from the foreseeable future—any President—from undertaking health care reform if now, with both Houses and 60 Members of the Democratic Party, you can't get it through the Senate and get it conferred and get it enacted.

Some of those who were most vocal in favor of the public option urged those in the caucus who disagreed to reconsider their position, and I would renew that request that they reconsider their position. The people who would classify themselves as most progressive in the Democratic caucus have swallowed hard and have announced publicly that they would support this bill even though it doesn't have a robust public option, doesn't have the Medicare expansion. And that may shift yet.

It is fair and accurate to say there are more pressing problems confronting the United States today than at any time in our history, and we have